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 50-389 St. Lucie Plant, Unit 2, Florida Power & Light Co. 05000389
 AUTH.NAME AUTHOR AFFILIATION
 REYES,L.A. Region 2 (Post 820201)
 RECIP.NAME RECIPIENT AFFILIATION
 PLUNKETT,T.F. Florida Power & Light Co.

SUBJECT: Discusses notice of violation & exercise of discretion re
 insp rept 50-335/98-14 & 50-389/98-14 concerning FP&L
 analysis methodology associated with fire-induced circuit
 failure.Review completed & determination provided.

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October 5, 1999

EA 98-513

Florida Power and Light Company
ATTN: Mr. T. F. Plunkett
President - Nuclear Division
P. O. Box 14000
Juno Beach, FL 33408-0420

SUBJECT: NOTICE OF VIOLATION AND EXERCISE OF DISCRETION (NRC INSPECTION REPORT NOS. 50-335/98-14, 50-389/98-14)

Dear Mr. Plunkett:

By letter dated June 23, 1999, the NRC informed Florida Power and Light Company (FP&L) of our continuing review of your response of April 29, 1999, to our Notice of Violation (Notice) and Exercise of Discretion issued on March 31, 1999, concerning activities conducted at the St. Lucie facility. The issue in question involves an FP&L analysis methodology associated with fire-induced circuit failures, as discussed below. The NRC has completed its review of the issue, and this letter serves to provide our determination in this matter.

In your April 29, 1999, response, FP&L agreed with the NRC's characterization of the issue cited in the Notice, the issues dispositioned as non-cited violations, and the Exercise of Discretion related to the potential for fire to cause a breach at a high-low pressure interface due to multiple spurious actuations of equipment. However, FP&L disagreed with the NRC's characterization of the first subpart of the violation for which Enforcement Discretion was also exercised. This violation involved an FP&L analysis methodology which, contrary to the requirements of 10 CFR Part 50, Appendix R, Section III.L.7, assumed only one spurious equipment operation to occur as a result of fire in any area, without any further consideration of the number, type, or specific location of potentially affected cables and circuits. FP&L stated that its licensing bases for St. Lucie Units 1 and 2 do not require consideration of multiple spurious actuations of equipment in the event of a fire, other than for high-low pressure interfaces.

The NRC and FP&L also discussed the violation at issue during an open, predecisional enforcement conference conducted on January 7, 1999. During this conference, FP&L disagreed that this issue constituted a violation, stating that the original St. Lucie Safe Shutdown Analysis assumed that any and all spurious equipment operations occurred one at a time in accordance with NRC Generic Letter 86-10. Following the conference, the NRC determined that this issue constituted a violation of 10 CFR 50, Appendix R, Section III.L.7. However, the NRC exercised discretion to not issue a Notice for the Severity Level III violation, because of the outstanding questions about existing staff guidance and the underlying regulatory requirement concerning fire-induced circuit failures, the low risk significance, and FP&L's actions to promptly perform the required analysis, evaluate the effect of this condition on the facility, and complete the required corrective actions.

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FP&L's April 29, 1999, letter did not provide any new information beyond that presented during the conference of January 7, 1999, or during the Fire Protection Functional Inspection and the follow-up inspection conducted in October and November 1998. Notwithstanding this fact, NRC has carefully considered the bases for your denial and re-examined the regulatory and licensing bases for the violation. Based on this evaluation, we have concluded, for the reasons presented in Enclosures 1 and 2 to this letter, that the violation occurred as stated. In summary, the bases for this conclusion are (1) the Agency's formal, regulatory position on the scope of the 10 CFR Part 50, Appendix R, Section III.L.7 requirement, and (2) our determination that consideration of multiple spurious operation of equipment in the event of a fire is within the licensing basis of St. Lucie, and the St. Lucie licensing basis does not exempt Units 1 and 2 from this requirement. The Agency's formal position on this issue was communicated to the industry in a March 11, 1997, letter from Mr. Samuel J. Collins, Director, Office of Nuclear Reactor Regulation, to Mr. Ralph E. Beedle, Senior Vice President and Chief Nuclear Officer, Nuclear Energy Institute (NEI). This letter is provided as Enclosure 2.

Your April 29, 1999, letter also stated that the NRC Staff's position that the effects of fire induced multiple spurious actions must be analyzed is not consistent with the NRC's previously issued guidance for implementation of fire protection requirements. The NRC has taken steps to improve the industry's understanding of the requirement, most notably with issuance of the Agency's formal, regulatory position on the scope of the 10 CFR Part 50, Appendix R requirements (Enclosure 2). While the NRC acknowledges that certain questions about differing staff and licensee interpretations of the existing guidance and regulatory requirements remain, the NRC ultimately concluded that St. Lucie was in violation of the requirement. However, the NRC gave appropriate consideration to unresolved questions, and concluded that the Exercise of Discretion to not issue a Notice was appropriate. After the NRC issued the Notice and Exercise of Discretion to FP&L, it revisited existing enforcement guidance regarding violations involving fire-induced circuit failures. The Agency's position on this matter was communicated in a letter dated July 21, 1999, from Mr. Collins to Mr. Joseph Colvin, President and Chief Executive Officer, NEI. This letter is provided as Enclosure 3. In this letter, the NRC staff identified additional situations in which the exercise of discretion may be appropriate, and noted that it did not intend to revisit past cases in which enforcement actions have been dispositioned. The staff has reviewed the revised enforcement guidance and concluded that it does not alter the action taken in the St. Lucie case.

No response to this letter is required. Should you have any further questions regarding this issue, please contact Steve West, Chief, Fire Protection Engineering and Special Projects Section, Office of Nuclear Reactor Regulation, at 301-415-1220.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

Sincerely,

Original signed by J. Johnson for

Luis A. Reyes
Regional Administrator

Docket Nos. 50-335, 50-389
License Nos. DPR-67, NPF-16

- Enclosures:
1. NRC Evaluations and Conclusion
 2. Samuel J. Collins letter of March 11, 1997
 3. Samuel J. Collins letter of July 21, 1999

FP&L

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EVALUATIONS AND CONCLUSION

By letter, dated March 31, 1999, the NRC transmitted a Notice of Violation (Notice) and Exercise of Discretion for various issues associated with the Fire Protection Functional Inspection conducted in March and April 1998. On April 29, 1999, Florida Power and Light Company (FP&L) provided a response in which it agreed with the NRC's characterization of all but one of the issues associated with the Notice, the non-cited violations, and the Exercises of Discretion. FP&L disagreed with the NRC's determination that the issue involving an FP&L analysis methodology which assumed only one spurious equipment operation to occur as a result of fire in any area without any further consideration of the number, type, or specific location of potentially affected cables and circuits, constituted a violation of 10 CFR Part 50, Appendix R, Section III.L.7.

Although the NRC determined that a violation occurred, the NRC exercised discretion to not issue a Notice for this Severity Level III violation, because of the outstanding questions about existing staff guidance and the underlying regulatory requirement concerning fire-induced circuit failures, the low risk significance, and FP&L's actions to promptly perform the required analysis, evaluate the effect of this condition on the facility, and complete the required corrective actions.

The NRC's evaluations and conclusion regarding the licensee's arguments are as follows:

Summary of the Licensee's Response

By letter dated April 29, 1999, FP&L stated the following: "FPL respectfully disagrees with the first subpart of the apparent violation involving spurious operation analysis and protection methods for safe shutdown capability. The licensing bases of St. Lucie 1 and 2 do not require consideration of multiple spurious actuations of equipment in the event of a fire, other than for high-low pressure interfaces. Further, the Staff's position that the effects of fire induced multiple spurious actuations must be analyzed is not consistent with previously issued guidance for implementation of NRC fire protection requirements. Accordingly no violation occurred."

NRC Evaluation of the Licensee's Response

This issue, along with other fire protection issues, was discussed at an open, predecisional enforcement conference held with FP&L on January 7, 1999. During the conference, FP&L also expressed its disagreement with the NRC's determination that the failure to consider multiple spurious actuations of equipment, for other than high-low pressure interfaces, constituted a violation of 10 CFR Part 50, Appendix R, Section III.L.7. Although the FP&L letter of April 29, 1999, did not present any additional information regarding this issue beyond that discussed at the conference and previously considered by the NRC, a re-evaluation of the regulatory and licensing basis for the violation was performed.

The potential for multiple fire induced circuit failures to impair safe shutdown capability is within the scope of 10 CFR 50, Appendix R, Section III.L.7, and as such licensees are required to consider these potential circuit failures in their fire protection programs. The NRC has clearly

communicated this position to the industry through various means including a March 11, 1997, letter from Mr. Samuel J. Collins, Director, Office of Nuclear Reactor Regulation, to Mr. Ralph E. Beedle, Senior Vice President and Chief Nuclear Officer, Nuclear Energy Institute (Enclosure 2). The NRC's position was most recently presented to the industry in a letter dated July 21, 1999, from Mr. Collins to Mr. Joseph Colvin, President and Chief Executive Officer, NEI. This letter is provided as Enclosure 3. In this letter, the NRC staff identified additional situations in which the exercise of discretion may be appropriate, and noted that it did not intend to revisit past cases in which enforcement actions have been dispositioned.

Given this regulatory conclusion, the staff carefully reviewed the St. Lucie licensing basis to determine if it was consistent with the requirements of 10 CFR Part 50, Section III.L.7. The St. Lucie licensing bases for fire protection is contained in Section 2.C.3 of the operating license, and states the following:

"The licensee shall implement and maintain in effect all provisions of the approved fire protection program as described in the Updated Final Safety Analysis Report for the facility (the fire protection program and features were originally described in licensee submittals L-83-514 dated October 7, 1983, L-83-227 dated April 22, 1983, L-83-261 dated April 25, 1983, L-83-453 dated August 24, 1983, L-83-488 dated September 16, 1983, L-83-588 dated December 14, 1983, L-84-346 dated November 28, 1984, L-84-390 dated December 31, 1984, and L-85-71 dated February 21, 1985) and as approved in by NRC letter dated July 17, 1984 and supplemented by NRC letters dated February 21, 1985, March 5, 1987, and October 4, 1988 subject to the following provision:

The licensee may make changes to the approved fire protection program without prior approval of the commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire."

In licensee submittal L-83-227 dated April 22, 1983, the licensee stated that:

"With regard to circuits of equipment whose spurious operation could impact safe shutdown capability or violate primary or secondary pressure boundary, FP&L has treated these circuits identically as those of hot and cold shutdown equipment.

"All power, instrumentation and control cable of spurious equipment (as well as that of hot and cold shutdown equipment) has been traced throughout the power plant to identify the cable functions routed through each fire area. Note that spurious valves are assumed to move to worst case positions unless the breakers associated with the valves are locked open during power operation, or the cables are protected."

Based on the staff's review of the licensing basis, the NRC has determined that the St. Lucie design bases description is consistent with the requirements and expectations of 10 CFR Part 50, Appendix R, Section III.L.7, and it does not exclude or exempt St. Lucie from considering multiple spurious actuations of equipment in the event of a fire.

NRC Conclusion

For the above reasons, the NRC staff concludes that the violation occurred as stated.